

Personal Auto

REVIEW REQUIREMENTS	REFERENCE	COMMENTS
Motorcycle, motor home, and miscellaneous vehicle endorsements	KRS 304.20-040(1)(a) KRS 304.20-300 through 350	When endorsements are attached to private passenger auto policies to cover motorcycles, motor homes, or other recreational vehicles; use those checklists for the applicable laws and regulations
FORMS		
Advisory Organizations and Forms Providers		
Adopting by reference, Blanket reference or Filing authorization	KRS 304.14-120, 806 KAR 14:006,	When an insurer chooses to adopt one or more specific filings of an AO or FP, it shall do so in accordance with the usual filing procedures and shall clearly identify which filing(s) it is adopting. Reference to items must always be made using the AO or FP filing reference number, not the circular or form number. Adoptions of items released more than 2 years prior must include copies of the items being adopted for review for current compliance. When an insurer chooses to adopt ALL of the policy forms of an AO or FP, it may either provide written authorization to AO or FP, who must in turn file the authorization with DOI, or the insurer must file written notice of "blanket reference adoption" with DOI that it is adopting by reference all of the current and future policy forms filed by the AO or FP.
Delaying adoption or non-adoption	KRS 304.14-120, 806 KAR 14:006,	When an insurer has previously adopted all an AO or FP's forms and chooses to delay the effective date of a new release, the insurer may submit a letter and specify an adoption date within 6 months of the advisory effective dates. A second letter may be submitted with a new date within one year from the original advisory effective date. If the insurer will not adopt within one year, a complete filing with forms and fees is required to non-adopt. Insurers will not be permitted to delay adoption or non-adopt releases bringing forms into compliance with the law without making similar independent changes bringing their forms into compliance.
Applications		
Need not be filed unless part of policy	KRS 304.14-020, KRS 304.14-120	Applications filed will be approved or disapproved as the law requires. Those forming a part of the policy must comply with all of the laws related to forms.
Fraud notice	KRS 304.47-030	All applications and claim forms shall contain a statement that clearly states in substance the following: "Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any materially false information or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent act, which is a crime."
Warranties prohibited	KRS 304.14-110	Statements in applications are representations, not warranties. They shall not prevent recovery under the contract unless they are fraudulent, material to the acceptance of the risk, or the insurer would not have issued at the same premium rate or policy limits.
Arbitration		
Mandatory binding arbitration is prohibited	KRS 304.20-050, KRS 417.050	The parties may agree to binding arbitration after the dispute arises. Nonbinding arbitration provisions are permitted.
Cancellation, Renewal and Nonrenewal		
Reasons permitted for cancellation	KRS 304.20-040(2)(a)	Mid-term cancellations of policies in force more than 60 days can only occur for one or more of five reasons: <ul style="list-style-type: none"> • Non-payment of premium • Driver's license or vehicle registration suspension or revocation • Discovery of fraud or material misrepresentation made by or with the knowledge of the named insured. • Discovery of willful or reckless acts or omissions on the part of the named insured that increase any hazard insured against. • Determination by the Commissioner that the continuation of the policy would place the insurer in violation of the KY insurance code or regulations
Notices of cancellation and nonrenewal	KRS 304.20-040, KRS 304.20-320(2)(b), 806 KAR 20:020, <u>KY Farm Bureau v. Gearhart</u> , 853 S.W. 2nd 907 (KY App 1993)	14 days in advance of effective date of cancellation if for non-payment of premium or if policy in force 60 days or less. 20 days in advance of cancellation if for any other reason. 75 days notice for nonrenewal. Movement between companies must be given 75 day notice. Specific reason(s) must be given in the notices. Notices for other than nonpayment of premium must include possible eligibility for the Kentucky Automobile Insurance Plan (assigned risk) and consumer's right to make written request of Commissioner within 7 days to investigate appropriateness of termination. Notices must identify the vehicle(s) being cancelled or nonrenewed.

Personal Auto

Declination or termination prohibited	KRS 304.20-040(1)(e), (4), and (10) KRS 304.20- 042, KRS 304.12-085	The declination or termination by an insurer or agent is prohibited if the declination or termination is based solely upon the: <ul style="list-style-type: none"> • Credit history or lack thereof of the applicant or insured • Race, color, religion, nationality, national origin, ethnic group, age, sex or marital status of the applicant or named insured, • Fact that another insurer previously declined to insure the applicant or terminated an existing policy in which the applicant was the named insured, • Fact that the applicant or named insured previously obtained insurance through a residual market mechanism, • Fact that the insured has previously obtained property or casualty insurance from a carrier providing nonstandard coverage, • Fact that the insured has sustained one (1) or more losses that immediately result from a natural cause without the intervention of any person and that could not have been prevented by the exercise of prudence, diligence, and care; OR • Fact that the insured or applicant has a disability, so long as the disability does not substantially impair mechanically assisted driving ability.
Notice of renewal and first renewal	KRS 304.20-035, KRS 304.20-040(13),	Must give 30-day notice to the insured of renewal or 7 days for a policy period of less than 30 days. Renewal notice must contain the renewal premium amount and payment due date. Copy must be sent to agent. Every notice of first renewal shall include or be accompanied by a notice advising insured who has not purchased the maximum limits of coverage of his/her right to do so for UM, UIM, and added PIP.
15 day notice of policy expiration	KRS 304.20-040(8)	When a policy terminates because the renewal premium was not received on or before the due date, the insurer shall mail a notice within 15 days stating that the policy was not renewed. Notice shall include the date on which the coverage ceased to exist.
Policy period defined	KRS 304.20-040(1)(c)	Policy periods less than 3 (three) months will be considered to be 3 (three) months and policies without an expiration date or for a term of 1 (one) will be considered to be 1 (one) year.
Compulsory Motor Vehicle Insurance		
Required security and minimum limits	KRS 304.39.010, 060, 070, 080, 090, 100 and 110; KRS 304.20-020	Owned vehicles must be covered for bodily injury and property damage liability and for basic reparation benefits (aka PIP or No Fault Benefits) to the extent of \$25,000/\$50,000 BI and \$10,000 PD or \$60,000 CSL and \$10,000 in PIP benefits for all users having a reasonable belief they are entitled to do so and for virtually all uses. Also required unless rejected in writing by the named insured is UM coverage of \$25,000/\$50,000.
Loading and unloading	KRS 304.39.110, KRS 304.39-020(6), 030 and 050	All loading and unloading must be covered under liability but under PIP only while occupying, entering into or alighting from.
Coverage required on loaner vehicles	KRS 304.20-065, Bulletin 91-3	Insurers must extend collision, bodily injury, and PD coverage to a loaner vehicle if the replacement is for breakdown, repair, or servicing the insured's vehicle AND the loaner vehicle is loaned by a person, firm or corporation engaged in the business of selling, repairing and servicing motor vehicles. Includes coverage for damage to the loaner vehicle as a result of the negligence of the insured.
Acceptance and rejection of tort liability limitation	KRS 304.39-010, KRS 304.39-060, 806 KAR 39:030, Bulletin 2001-1	Any person who owns, maintains, operates or uses a motor vehicle in Kentucky is deemed to accept the provisions of Subtitle 39. Rejection of the statutory limitation on one's right to sue and be sued requires the use of DOI form NF-1(a,b,c)P&C (9/00).
PIP benefits, definitions, rejection, and out of state accidents	KRS 304.39-020, 030, 060, 140(5)	All persons are entitled to these benefits unless they have rejected the statutory limit on their right to sue and therefore, are not entitled to collect these benefits from any source, unless they bought back the benefits. See statutes for detailed requirements for the benefits. PIP benefits may be slightly limited for out of state accidents, but the law requires out of state benefits for KY resident occupants of KY registered insured bus.
Exclusions:	KRS 304.39-010, 080, 090, 100, 110, 150, etc.	Subtitle 39 is written to require broad coverage and permit only limited exclusions. Only terms and conditions consistent with the purposes of the Act and fair and equitable to all persons affected will be approved.
• Intentional Acts	KRS 304.39-200	Intentional acts may not be excluded from minimum liability limits. A limited PIP intentional act exclusion is permitted.
• Punitive damages	KRS 304.39	May be excluded from any and all coverages.
• Named Driver	KRS 304.39-045	Named insured and insurer may agree by endorsement signed by the named insured and the insurer to exclude named driver(s) other than resident spouse or dependent. Although the named excluded driver may sign the endorsement, his/her signature is not required. A resident spouse or dependent may be excluded beyond the minimum limits.
• Intra-family Immunity Clauses	<u>Lewis v. West American</u> (1996)	Prohibited in motor vehicle liability policies.
• Incidental business use	KRS 304.39	May not be excluded.
Proof of insurance cards	KRS 304.39-117, 806 KAR 39:070	Although not required to be filed, proof of insurance cards must comply with the requirements of the regulation.

Personal Auto

Contents of Policies and other forms		
Required policy contents	KRS 304.14-150	Every policy shall specify: <ul style="list-style-type: none"> • The names of the parties to the contract • The subject of the insurance • The risks insured against • The time when the insurance thereunder takes effect and the period during which the insurance is to continue • The premium • The conditions pertaining to the insurance • Benefits payable
Privacy Notices	806 KAR 3:210	Not required but if filed must conform to 806 KAR 3:210
Ambiguous, inconsistent, misleading language prohibited, and substantial legibility required	KRS 304.14-130 (1)(b) and (c)	Forms shall not: (1) contain any inconsistent, ambiguous or misleading clauses, or exceptions and conditions which deceptively affect the risk purported to be assumed in the general coverage of the contract or (2) contain any title, heading, or indication which is misleading, or be printed in a size of type or manner of reproduction so as to be substantially illegible.
Readability, intelligibility, and cover sheet required	KRS 304.14-130, KRS 304.14-420 through 450, 806 KAR 14:121	All filings shall include a certificate signed by an officer or representative authorized by the board of directors stating the form meets the minimum reading ease score or stating the score. Certification by the authorized filer is acceptable when the Flesch score is provided. See statutes and regulations for detailed requirements.
English language requirement	KRS 304.14-435	All policy forms filed with DOI and any other insurance policy or claim-related information, shall be written in the English language.
Agreements part of the contract	KRS 304.14-180	Agreements in conflict with, modifying, or extending the contract must be made part of the policy.
Blank endorsements are prohibited	KRS 304.14-120, 806 KAR 14:006, Memo 12-15-95	Endorsements containing blanks where the policy may be amended are not permitted, because all policy language, terms and conditions, etc. must be submitted for prior approval. We will, however, accept a form with the following stipulations: <ul style="list-style-type: none"> • Underwriting rule pages showing the use of the endorsement must accompany the endorsement filing; • A disclaimer must be in a prominent position on the endorsement indicating, "This endorsement will not be used (a) to impede, restrict, amend or otherwise revise any provisions, exclusions, conditions or other terms of the policy to which it is attached or (b) as a renewal certificate;" AND • The endorsement must include a signature and date line for the insured's acknowledgement. The only other way the form will be accepted is where the numbered form lists all possible changes for which it will be used and is approved by DOI. The form may be computer generated and only print out the change(s) necessary for a particular insured; however, all changes that may at any time be used must be filed and approved before use of the form.
Conformity clauses	KRS 304.14-130 (1)(a)	Forms shall not be approved if they are in any respect in violation of or do not comply with KY law. The presence of a conformity clause will not bring about approval of otherwise non-compliant policy provisions.
Grouping for preferential treatment	806 KAR 14:090	The grouping of persons or risks for preferential treatment in insurance rates or forms is prohibited unless filed and approved.
Group certificates	806 KAR 14:060	Group certificates issued for delivery to Kentucky residents under any group policy issued to an association outside Kentucky where premiums are payable by individual members must be filed and approved.
Certificates issued to third parties	806 KAR 14:100	Certificate forms must be filed for prior approval by each insurer. Shall include the following or similar statement: "This certificate or memorandum of insurance neither affirmatively nor negatively amends, extends, or alters the coverage afforded by policy number ____ issued by ____."
Policies may be assignable	KRS 304.14-250	A policy may be assignable or not assignable as provided by its terms.
Jurisdiction of courts	KRS 304.14-370	No conditions in policies may limit the jurisdiction of Kentucky courts.
Venue of suit against insurers	KRS 304.14-380	Suit upon causes of action arising within this state against an insurer upon an insurance contract shall be brought in the county where the cause of action arose or in the county where the policyholder instituting the action resides.
Limitation of suits against insurer not less than one year	KRS 304.14-370	No conditions in policies may limit the time for commencing actions against insurers for a period of less than one year.
Dividend Plans		
Dividends payable to individual members, Dividends not guaranteed	KRS 304.14-290	Every insurer, issuing participating policies, shall pay dividends, unused premium refunds or savings distribution on account of any such policy only to the real party in interest entitled. Dividends shall not be guaranteed.

Personal Auto

Dividend plans filings, participation	806 KAR 14:110	<ul style="list-style-type: none"> Insurer must identify and group policyholders contributing to such savings into specific classifications. Insurer must file dividend plans in “same manner as a rate filing” Cannot propose both participating and nonparticipating policies for the same class of risk. Plan must be made available to all insureds meeting the eligibility requirements. Agents licensed by one or more companies of a group must also be licensed by the company within such group authorized to write dividend plans, if such agent does not write such participating policies. Initial filing must contain either satisfactory evidence of proper specific charter (defined in KRS 304.3-050), authority to issue participating policies, or satisfactory evidence that the laws of its domicile provide that it may issue policies entitled to participate in the earnings of the insurer through dividends. Filing must also contain proposed policy provisions or proposed policy endorsement form for payment of dividends, which must also provide that all such dividends must be paid directly to the insured. Dividends must be paid only out of that part of the surplus funds derived from any realized net profits from insurer’s business. Brochures and advertising materials must affirmatively and clearly set forth that dividends are not guaranteed and that all policyholders are eligible for the dividend program whether or not they are members of, or affiliated with, any association.
Form Filing Standards		
Prior approval	KRS 304.14-120	No policy form, application made a part of the policy, rider, endorsement, certificate, etc. shall be delivered until filed and approved.
Forms disapproved or withdrawn	KRS 304.14-120 and 130(2) Bulletin 2001-3	Disapproved filings require a new filing submitted with appropriate fees and forms. The insurer shall not use in this state any form after disapproval or withdrawal of approval
Filing document set	KRS 304.14-120, 806 KAR 14:006, 806 KAR 4:010(2)	<p>A filing may include any number of documents, filed together on a particular date, pertaining to a single type of insurance (TOI) from the Uniform Property & Casualty Product Coding Matrix. Forms shall be filed separately from rates and rules.</p> <p>Paper filings must be submitted with two (2) full document sets on 8 ½ x 11 white paper and three (3) transmittal documents.</p> <p>Each document set must contain the following properly completed forms and information:</p> <ul style="list-style-type: none"> Property & Casualty Transmittal Document, if a group filing is being made, all companies included must be listed. Form Filing Schedule If the filing is being made by a third party, a signed letter of authorization from the company shall be submitted The company’s documents that are being revised/submitted \$5.00 filing fee per company per line of insurance, subject to retaliatory provision Self-addressed stamped envelope
Retaliatory fees	KRS 304.3-270	When fees, taxes, fines, etc., charged by the state of domicile are in excess of Kentucky fees, then the domicile state’s fees apply.
Fees collected in advance	KRS 304.4-010	Fees shall be collected in advance or within 15 days of electronic submission.
Amendments to completed filings	806 KAR 14:006	<p>Once a filing is acted upon by DOI, it may be amended only by submitting a complete new filing.</p> <p>An exception is permitted for changes of effective date. These may be accomplished with a letter stating the revised effective date.</p> <p>Final printed pages need not be filed</p>
Liberalization Clause		
Liberalization	KRS 304.14-180, 806 KAR 14:050	If additional benefits are afforded to policyholders of an insurer which do not require increases in premium rates or reductions of coverage, such benefits shall also be afforded to all prior policyholders paying the same rates.
Loss Settlement		
Proof of Loss forms	KRS 304.14-270	Insurers shall furnish proof of loss forms upon written request of any person.
Liability deductibles	KRS 304.39-080, 304.14-130	Prohibited unless policy language states the insurer SHALL pay on behalf of the insured or unless the insured is a qualified self-insured. Also may not erode the limits of liability.
Glass replacement or repair	KRS 304.9-470, KRS 304.20-060, KRS 189	The insurer shall not require a policyholder to use any particular company or location for glass repair or replacement. For policies with comprehensive coverage, safety equipment must be replaced or repaired without any deductible.
Loss of use	KRS 304.39-115	Loss of use shall be an element of damage in a property damage liability claim.

Personal Auto

PIP benefits		
• Direction of pay	KRS 304.39-241	An insured may direct in writing the payment of PIP benefits among the different elements of loss.
• No deduction or set off of benefits except as permitted in law	KRS 304.39-120, 130, 140, and 250	PIP benefits are to be paid without deduction or set-off except as required or permitted by Subtitle 39. Those include workers compensation, 15% tax savings, limits or apportionment of loss of income and other elements of loss so limited, deductibles shall be made available up request in amounts of \$250, \$500, or \$1000. No other deductibles or set-offs are permitted.
• Medical bill presumed reasonable	KRS 304.39-020(5)(a)	Insurers may not limit benefits by defining "reasonable" or by requiring managed care or fee schedules.
• PIP coordination of benefits	KRS 304.39-050,070,140,290	PIP follows the vehicle and is recoverable by subrogation against the party at fault through the Kentucky Automobile Arbitration Association.
• Independent medical exams for PIP or Added PIP	KRS 304.39-270; Advisory Opinion 2000-3	Insurers shall not require an IME unless it is material to the claim and only by a court order with good cause.
Claim payment offset by premium	KRS 304.12-230(5), (6), (8)	Any attempt by a carrier to offset the amount it owes on a claim by the amount of premium an insured owes could be an unfair denial of a claim. The insured has a reasonable expectation that if the claim is covered, coverage will be provided up to the limits of the policy.
Limits on claims due to Medicaid	KRS 304.3-280	Contracts may not limit claim payments because the insured is eligible to receive or is provided medical assistance under the provisions of Title IX of the Social Security Act (Medicaid).
HIV Exclusion, Limits, or Different Terms or Conditions	KRS 304.14-130 (1)(e)	HIV shall not be excluded or treated differently than other sicknesses or medical conditions.
Domestic violence / innocent co-insured	KRS 304.12-211	Insurers are prohibited from using the fact that an applicant or insured sustained bodily injury resulting from domestic violence or abuse as the sole basis for rating and underwriting decisions or to limit the amount or kind of coverage available. Furthermore, if a policy excludes property coverage for intentional acts, the insurer may not deny payment to an innocent co-insured if the loss occurred because of domestic violence or abuse and the perpetrator of the loss is criminally prosecuted for the act causing the loss. Payment to the innocent co-insured may be limited to their ownership interests in the property as reduced by any payments to a secured interest.
Defense costs	KRS 304.14-130(1)(a) and (b), Bulletin 87-5	May not be included within liability limits
Time for payment of claims	KRS 304.12-235	Claims to be paid in 30 days or interest owed.
RATE and RULE MANUAL		
Advisory Organizations and Statistical Agents		
Adopting by reference, Blanket reference or Filing authorization	KRS 304.13-051, KRS 304.13-061, KRS 304.13-121, 806 KAR 13:150,	When an insurer chooses to adopt one or more specific filings of an AO or SA, it shall do so in accordance with the usual filing procedures and shall clearly identify which filing(s) it is adopting. Reference to items must always be made using the AO or SA filing reference number, not the circular number. Adoptions of rules more than 2 years old shall include copies of the rules for review for current compliance. When an insurer chooses to adopt ALL of the loss costs and/or rules of an AO or SA, it may either provide written authorization to AO or SA, who must in turn file the authorization with KOI, or the insurer must file written notice of "blanket reference adoption" with DOI that it is adopting by reference all of the current and future filings by the AO or SA. Be watchful of loss adjustment expenses already included in AO or SA loss cost filings. Duplication of those expenses is not permitted.
Delaying adoption or non-adoption	KRS 304.13-051, KRS 304.13-061, KRS 304.13-121, 806 KAR 13:150,	When an insurer has previously adopted all loss costs and rules of an AO or SA and chooses to delay the effective date of a new release, the insurer may submit a letter and specify an adoption date within 6 months of the advisory effective dates. A second letter may be submitted with a new date within one year from the original advisory effective date. If the insurer will not adopt within one year, a complete filing with forms and fees is required to non-adopt. Insurers will not be permitted to delay adoption or non-adopt releases bringing rules into compliance with the law without making similar independent changes bringing their rules into compliance.
Filing Standards		
Rates & rate information	KRS 304.13-051, 057, 061 Order 1-7-2003	Use & File. Every insurer shall file rates and supplementary rate information to be used in Kentucky. No insurer shall place into effect any rates, manuals, or underwriting rules which it proposes if it results in a increase or decrease of more than 25% from its existing rates for any classification of risks in any of its rating territories within a 12-month period of time. Any insurer that proposes such a large increase or decrease shall file under the "Prior Approval" category.

Personal Auto

Rates & rate information	KRS 304.13-051, 057 and 061, 806 KAR 13:110, Order 1-7-2003	<p>Prior Approval. Every insurer shall file rates and supplementary rate information to be used in Kentucky. Any insurer that proposes an increase or decrease of more than 25% shall file all its rates and supplementary rating information which shall not become effective until approved by the Commissioner. The waiting period for filings is thirty days before it becomes effective, which may be extended for an additional period not to exceed 30 days if written notice is given within the waiting period to the insurer which made the filing that additional time is needed for consideration of the filing. The filing should include supporting documentation to aid in the review process.</p> <ul style="list-style-type: none"> • rate level indications • loss ratio information • prospective expense information • rate impact information • information regarding policies with the greatest individual impacts including distribution information by impact level
Rating Manuals & Underwriting Rules	KRS 304.13-051	All manuals and underwriting rules must be filed within 15 days of the effective date. Manuals, rules, and guidelines must be adhered to until amended. To the extent underwriting guidelines regarding the bases on which risks are acceptable are considered proprietary and confidential, it must be clearly marked on the filing and an explanation of the reason(s) the information is proprietary and confidential must be included. Information relative to premium determination is never propriety. Filings disapproved may not be used until a new filing is submitted with all appropriate fees and forms.
Filing document set	KRS 304.13-051, 806 KAR 13:150, 806 KAR 4:010(21)	<p>A filing may include any number of documents, filed together on a particular date, pertaining to a single type of insurance (TOI) from the Uniform Property & Casualty Product Coding Matrix. Forms shall be filed separately from rates and rules.</p> <p>Paper filings must be submitted with two (2) full document sets 8 1/2x 11 white paper and three (3) transmittal documents.</p> <p>Each document set must contain the following properly completed forms and information:</p> <ul style="list-style-type: none"> • Property & Casualty Transmittal Document, if a group filing is being made, all companies included must be listed. • Rate/Rule Filing Schedule • LC-1 [and LC-2 if applicable] must be completed for each company. • If the filing is being made by a third party, a signed letter of authorization from the company shall be submitted. • The company's documents that are being revised/submitted • \$5.00 filing fee for Use & File filings, \$100.00 filing fee for prior approval filings, per company per line of insurance, subject to retaliatory provision • Self-addressed stamped envelope
Premium Comparison (Shoppers Guide Information)	KRS 304.13-051, 806 KAR 13:150, 806 KAR 4:010(21)	<p>All rate filings, or filings containing rules, or guidelines that impact a rate or rates submitted by an insurer shall be accompanied by premium comparison information which shall be submitted on-line via the Department of Insurance website if any rate or rule change impacts the premium information reported thereon.</p> <ul style="list-style-type: none"> • Separate premium comparison information shall be provided for each company included in the filing. • If there is no impact to premium information previously submitted, an explanatory statement shall be included in the Transmittal Document.
Retaliatory Fees	KRS 304.3-270	When fees, taxes, fines, etc. charged by the state of domicile are in excess of Kentucky fees, then the domicile state's fees apply.
Fees Collected in Advance	KRS 304.4-010	Fees shall be collected in advance or within 15 days if the filing is submitted electronically.
Amendments to completed filings		<p>Once a filing is acted upon by DOI, it may be amended only by submitting a complete new filing.</p> <ul style="list-style-type: none"> • An exception is permitted for changes of effective date. These may be accomplished with a letter stating the revised effective date. • Final printed pages need not be filed.
General Rates and Rules		
Tie-in Sales	KRS 304.12-130	Prohibited as a method of competition that is unfair and not in public interest.
Premium defined; fees are included	KRS 304.14-030 & Bulletin 94-3	Premium is the consideration for insurance, by whatever name called. Any assessment or any membership, policy, survey, inspection, service, reinstatement, cancellation or similar fee or other charge in consideration for an insurance contract is deemed part of the premium.
Illegal dealing in premium	KRS 304.12-190	No person shall charge for insurance not provided nor charge any amount in excess of that expended for insurance nor knowingly fail to refund any charge for insurance in excess of the amount actually expended for insurance. Unearned premium shall be refunded upon the request of the insured, even if nominal. Minimum earned premiums and fully earned fees such as policy, membership, reinstatement, cancellation, etc. may be used only when the remaining premium is refunded prorata or under other circumstances with support.
Domestic violence / innocent co-insured	KRS 304.12-211	Insurers are prohibited from using the fact that an applicant or insured sustained bodily injury resulting from domestic violence or abuse as the sole basis for rating and underwriting decisions or to limit the amount or kind of coverage available.
Grouping for preferential treatment	806 KAR 14:090	Grouping of persons or risks for preferential treatment in insurance rates or forms is prohibited unless filed and approved.

Personal Auto

Unfair discrimination prohibited	KRS 304.12-080, 806 KAR 14:090	Actuarial evidence of difference in risk or expenses must be provided.
<ul style="list-style-type: none"> Association discounts Pricing based on education 		
Limits on claims due to Medicaid	KRS 304.3-280	Contracts may not limit claim payments because the insured is eligible to receive or is provided medical assistance under the provisions of Title IX of the Social Security Act (Medicaid).
HIV Exclusion, Limits, or Different Terms or Conditions	KRS 304.14-130 (1)(e)	HIV shall not be excluded or treated differently than other sicknesses or medical conditions.
Rebates prohibited	KRS 304.12-090 and 100, Advisory Opinion 2004-05	
Flexible commissions prohibited	KRS 304.12-080 and 090, Advisory Opinion 2003-01	
Illegal inducements to buy insurance prohibited	KRS 304.12-110	Some discounts may be illegal inducements.
Motor Vehicles		
Minimum limits	KRS 304.39-110	\$25,000/\$50,000 BI - \$10,000 PD or \$60,000 CSL. \$10,000 in No-Fault Coverage. \$25,000/\$50,000 in UM coverage unless rejected in writing.
Acceptance and rejection of tort liability limitation	KRS 304.39-010, KRS 304.39-060, 806 KAR 39:030, Bulletin 2001-1	Any person who owns, registers, maintains, operates or uses a motor vehicle in Kentucky is deemed to accept the provisions of Subtitle 39. Rejection of the statutory limitations on one's right to sue and be sued requires the use of KOI form NF-1(a,b,c) P&C (9/00), in the manner prescribed.
PIP benefits, rejection, definitions and out of state accidents	KRS 304.39-020, 030, 060, 140(5)	All persons are entitled to basic reparation benefits unless they have rejected the statutory limit on their rights to sue and therefore, are not entitled to collect no-fault benefits from any source, unless they bought back the benefits. See statutes for detailed requirements for benefits. PIP benefits may be slightly limited for out of state accidents, but the law requires out of state benefits for KY resident occupants of KY registered insured bus.
PIP benefits	KRS 304.39-120, 130, 140, and 250	PIP benefits are to be paid without deduction or set-off except as required or permitted by Subtitle 39. Those include workers compensation, 15% tax savings, limits or apportionment of loss of income and other elements of loss so limited.
<ul style="list-style-type: none"> No deduction or set off of benefits except as permitted in law Medical bill presumed reasonable 	KRS 304.39-020(5)(a)	Insurers may not limit benefits by defining "reasonable" or by requiring managed care or fee schedules.
<ul style="list-style-type: none"> Deductibles 	KRS 304.39-140(4)	\$250, \$500, and \$1000 shall be made available upon request. No other deductibles are permitted.
<ul style="list-style-type: none"> Added PIP 	KRS 304.39-140(1)	Shall be made available upon request.
<ul style="list-style-type: none"> Rejecters 	KRS 304.39-140(1) and (5)	Buy back PIP and then Added PIP shall be made available upon request.
Named Driver Exclusions	KRS 304.39-045	Named insured and insurer may agree by endorsement signed by the named insured and the insurer to exclude named driver(s) other than resident spouse or dependent. Although the named excluded driver may sign the endorsement, his/her signature is not required. A resident spouse and dependent may be excluded beyond the minimum limits.
Liability deductibles prohibited	KRS 304.39-080(7) and 100, 806 KAR 39.050, KRS 304.14-130	Unless carrier SHALL pay them or unless insured is a qualified self-insured. Deductibles may not erode the liability limits.
UM coverage shall be included at minimum limits	KRS 304.20-020, KRS 304.39-110	Unless rejected in writing by named insured.
Underinsured (UIM) motorist coverage shall be made available upon request	KRS 304.39-320	No minimum limit required. The law does not require (nor shall insurers) that the injured person have higher UIM limits than those of the tortfeasor's liability insurance. Written rejection is not required but may be obtained. Be sure to make the purchase of UIM coverage available upon request even when the named insured rejects UM.
Rebuilt titles cannot be reclassified or declined	KRS 186A.530	Reclassification or declination permitted only on first party non-compulsory coverages.
Glass coverage without deductible	KRS 304.20-060	Any policy providing comprehensive coverage shall provide complete coverage for repair or replacement of damaged safety equipment (the glass used in the windshield, doors, and windows, and the glass, plastic, or other material used in the lights required by KRS Chapter 189) without regard to any deductible or minimum amount.
Rewrite of previous customer required	KRS 304.20-041	An insurer with whom the applicant was most recently insured shall not refuse to issue a policy nor impose any additional premium solely because the applicant is uninsured at the time of reapplication; if the applicant demonstrates that during the period he was without insurance he had the good cause shown in the statute, and he was not convicted of any traffic violation during that period, and the reapplication was made within 24 months of the nonrenewal.

Personal Auto

Anti-theft device discounts required on comprehensive coverage	KRS 304.13-065, KRS 304.20-400 through 450, 806 KAR 13:100	See statutes and regulation for specific discount requirements for specific types of anti-theft devices.
Academic Eligibility for License	KRS 187.310(3)	Insurers shall not surcharge a policyholder solely because the policyholder has a dependent whose license has been revoked or denied for being academically deficient pursuant to KRS 159.051.
Driver surcharges	KRS 186.570(8)	Insurers shall not surcharge a policyholder solely because the policyholder's driving privilege was suspended or denied for failing to pay child support.
Defensive Driving-discount required	KRS 304.13-063, SB 133 2006	Any schedule of rates or rating plan for auto liability and physical damage shall provide appropriate reduction in premium for a period of at least 3 years and up to 5 years for (a) insureds 55 years of age and older, who have completed an approved accident prevention course within 5 years, and (b) insureds of any age who are members of the US Armed Forces and who complete a defensive driving course provided by the US Armed Forces. The Armed Forces discount requirement is effective January 1, 2007.
Premium increases prohibited: <ul style="list-style-type: none"> For not-at-fault accidents For state employees For loss of driving privilege due to child support arrearage 	<ul style="list-style-type: none"> KRS 304.20-045 KRS 304.20-043 KRS 186.570(7) 	<ul style="list-style-type: none"> This includes premium increases caused by tier movement or the removal of discounts. Having an accident in state vehicle in the course of employment, unless driver has pattern of conduct exhibiting disregard for traffic laws.
Renewal, Nonrenewal, Cancellation, Declination		
Notice of renewal premiums	KRS 304.20-035	Must give at least 30 days notice, 7 days in the case of a policy with a policy period of 30 days or less, before the end of the policy period.
Notice at policy expiration	KRS 304.20-040(1)(c)	When a policy terminates because the renewal premium was not received on or before the due date, the insurer shall mail a notice within 15 days stating that the policy was not renewed. Notice shall include the date on which the coverage ceased to exist.
Reasons permitted for cancellation	KRS 304.20-040(2)(a)	Mid-term cancellations of policies in force more than 60 days can only occur for one or more of five reasons: <ul style="list-style-type: none"> Non-payment of premium Driver's license or vehicle registration suspension or revocation Discovery of fraud or material misrepresentation made by or with the knowledge of the named insured. Discovery of willful or reckless acts or omissions on the part of the named insured that increase any hazard insured against. Determination by the Commissioner that the continuation of the policy would place the insurer in violation of the KY insurance code or regulations of the Commissioner.
Notices of cancellation and nonrenewal	KRS 304.20-040, KRS 304.20-320(2)(b), 806 KAR 20:020, <u>KY Farm Bureau v. Gearhart</u> , 853 S.W. 2nd 907 (KY App 1993)	14 days in advance of effective date of cancellation if for non-payment of premium or if policy in force 60 days or less. 20 days in advance of cancellation if for any other reason. 75 days notice for nonrenewal. Movement between companies must be given 75 day notice. Specific reason(s) must be given in the notices. Notices for other than nonpayment of premium must include possible eligibility for the Kentucky Automobile Insurance Plan (assigned risk) and consumer's right to make written request of Commissioner within 7 days to investigate appropriateness of termination. Notices must identify the vehicle(s) being cancelled or nonrenewed.
Declination or termination prohibited	KRS 304.20-040(1)(e), (4), and (10) KRS 304.20- 042, KRS 304.12-085	The declination or termination by an insurer or agent is prohibited if the declination or termination is based solely upon the: <ul style="list-style-type: none"> Credit history or lack thereof of the applicant or insured Race, color, religion, nationality, national origin, ethnic group, age, sex or marital status of the applicant or named insured, Fact that another insurer previously declined to insure the applicant or terminated an existing policy in which the applicant was the named insured, Fact that the applicant or named insured previously obtained insurance through a residual market mechanism, Fact that the insured has previously obtained property or casualty insurance from a carrier providing nonstandard coverage, Fact that the insured has sustained one (1) or more losses that immediately result from a natural cause without the intervention of any person and that could not have been prevented by the exercise of prudence, diligence, and care; OR Fact that the insured or applicant has a disability, so long as the disability does not substantially impair mechanically assisted driving ability.
Taxes and Fees		
Installment fees and delinquent installment fees	KRS 304.13-051, 806 KAR 13:090, KRS 304.30-090 and 100, 806 KAR 30:050	Shall be no less favorable than those permitted by premium finance companies. Maximum of \$15 fee plus 12% per annum installment fees. Delinquent fee of \$1 to maximum of 5% of the amount of the delinquent installment late 5 days or more. These must be included when calculating taxes.
Late fees on entire premium	KRS 304.14-030	Maximum of 18% per annum if premium late 30 days or more. Such charges shall be clearly indicated on all bills and statements of account.

Personal Auto

Reinstatement fee or change in coverage on expired policy prohibited	KRS 304.20-037	If an insurer has indicated its willingness to renew a policy by mailing to the named insured a notice of the renewal premium and the amount was not paid, the insurer may, in the absence of an increase in the risk insured, reinstate the policy upon the written request of the insured if the request is made within thirty (30) days following expiration. The insurer shall not require, as a condition for reinstatement, an increase in coverage amount or the premium charge above that which was stated in its renewal offer.
Fully earned MGA policy fees for und. expenses	KRS 304.13-171	The fee shall only be collected if coverage is provided and shall be deemed fully earned. The fee shall be submitted to the Commissioner for prior approval.
Local government premium tax	KRS 91A.080, 806 KAR 2:096 and 097, annual DOI Bulletin	If filed, they must be current and accurate. Must be disclosed on title page of policy issued for the first time when the tax is charged.
Premium surcharge	KRS 136.392, 806 KAR 2:100	Must be disclosed on declarations page of policy issued for the first time when the surcharge is charged.